

**BEFORE THE
ILLINOIS COMMERCE COMMISSION**

Request for Public Comment Concerning the
Implementation of Governor Blagojevich's proposal for a
Sustainable Energy Plan

**COMMENTS OF
GEOTHERMAL HEAT PUMP CONSORTIUM, INC.**

The Geothermal Heat Pump Consortium (GHPC), on behalf of its members, respectfully submits the following comments to the Illinois Commerce Commission's (ICC) in response to the Request for Public Comments Concerning the Implementation of Governor Blagojevich's proposal for a Sustainable Energy Plan for Illinois (the Plan).

Introduction

GHPC is a non-profit national organization founded in 1994 as part of the federal Climate Change Action Plan, and in collaboration with the Department of Energy, the Environmental Protection Agency and other private organizations to implement the National Earth Comfort Program. The mission of GHPC is to reduce greenhouse gas emissions, improve energy efficiency, reduce peak energy demand, and reduce the cost of space conditioning and water heating for all Americans including Illinois ratepayers.

Our members include every facet of the geothermal heat pump industry in Illinois and nationwide, including energy officials, electric utilities, energy service companies, manufacturers, distributors, designers, engineers, architects, builders, contractors and drillers.

Discussion

GHPC strongly supports the plan and believe that it represents the best and most comprehensive means available for creating a sustainable energy future for Illinois. The proposed Renewable

Portfolio Standard and Energy Efficiency Portfolio Standard will help improve electric reliability, enhance the environment, lower the cost of doing business in the state, and create jobs. These results can only be achieved by implementing the Plan as proposed by Governor Blagojevich.

In our view, the renewable portfolio standard represents an effective tool for ensuring the procurement of energy from renewable sources. This plan addresses imbalances within the energy sector that have held back renewable resources from competing with conventional resources.

Similarly, the energy efficiency portfolio standard is well designed to achieve its purpose. It is our opinion that it will go a long way toward reducing energy use and electric demand, while also producing significant environmental benefits. The economic benefits are equally compelling. Many new jobs will be created for the individuals and companies that provide these energy efficiency services. These will involve various trades (contractors, product dealers, architects, construction workers, etc.), and will involve the acquisition of important new skill sets. Illinois households and businesses will enjoy lower utility bills and will consequently have more disposable income to spend or save, and capital will be freed up for business expansion and new hiring.

In implementing the Energy Efficiency Portfolio Standard, it is critical to the success of this plan that the competitive long-term contracts awarded to efficiency services providers achieve not only demand reduction (KW) but also overall energy savings (kWh) to avoid a load shifting problem and to ensure a permanent solution. Furthermore, we applaud the Governor's proposal for long-term contracts to allow for true market transformation to take place and for permanent sustainable energy efficiency measures to be implemented. For example, Heating, Ventilation and Air Conditioning (HVAC) systems typically account for over 30% of the energy requirements of homes, businesses and institutions, yet many of the programs implemented by other states have not adequately addressed this end use. Many of the programs adopted by other states focus on "quick-fix" measures like lighting, whereas very little effort is expended on more complex measures like HVAC, where substantial opportunities to capture energy savings and demand reduction are being overlooked. In our view, to serve the needs of Illinois ratepayers,

the programs selected for funding must strike a balance between short-term “quick-fix” measures and measures that significantly reduce energy use and demand, that have long useful lives and low likelihood of removal or being over-ridden by a less-committed customer.

To that end we strongly support the Governor’s recommendation that the ICC establish an Illinois Sustainable Energy Advisory Council to ensure the Plan’s successful implementation. Furthermore, we strongly support the Governor’s recommendation that \$10 million be made available to support the energy efficiency programs administered by the Department of Commerce and Economic Opportunity (DCEO). It is our experience that, despite best intentions, the programs selected by electric utilities and alternative retail electric suppliers can not address all necessary gaps on the road to market transformation – DCEO can help fill such gaps. Some program activities can be hard to quantify, yet they are essential to building the local infrastructure and to achieving the set energy efficiency goals (such as training for building trades, building operators, engineers, architects and design professionals). These obstacles should be addressed by DCEO and not left without the attention they require.

Conclusion

In conclusion, the GHPC believes that the Sustainable Energy Plan represents a very real opportunity to advance the use of renewable technologies and addressing the state’s energy and environmental needs. We strongly support the Plan as proposed by Governor Blagojevich and urge Chairman Hurlly and the ICC to commence with implementation for the good of Illinois and its citizens.

Respectfully submitted this 9th day of March, 2005,

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